

A Survey of Operations Management Practices in Islamic Banks of Bangladesh

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Abstract

The establishment of Islami Bank Bangladesh Ltd. in 1983 was the first step of Islamic banking system in Bangladesh towards achieving the vision of having an Islamic financial system operating side by side with the conventional interest-based system for nation's socio-economic development goals. Operations Management is a set of activities that creates goods and services through the transformation of inputs into outputs. For Islamic banks, the inputs are the managers, employees, machines, and various facilities, whereas, the outputs are the various services such as Letter of Credit (LC), *Mudharaba*, *Musharaka* Contract, etc. The present research is undertaken to conduct a survey on Operations Management practices in various Islamic banks in Bangladesh. The survey involves 37 branches of five Islamic banks in Bangladesh. In particular, the survey focuses on operations strategy, process, technology, layout, location, supply chain, and quality management. The survey findings are expected to provide guidelines to the managers of Islamic banks in designing an effective Operations Management system.

Keywords: Operations management survey, Islamic banks

Introduction

In 1950s, Islamic economists initiated to draw the first ever critique of interest from the Islamic economics point of view and tried to outline the *Shariah* compliant alternatives. In this time, Islamic scholars and economists started to develop theoretical models of banking and finance as a substitute to interest-based banking. By 1953, Islamic economists offered the first description of an interest-free bank based on two-tier *Mudarabah* (banks to collect funds on a *Mudarabah* basis and to extend these funds also on a *Mudarabah* basis). Later, they showed that financial intermediation can also be organized on a *Wakalah* basis. In 1960s, practices of Islamic principles of finance were started in Egypt and Malaysia. The landmark events included rise and fall of Mitghamr (Egypt) Savings Associations during the 1961-64 period and the establishment of *Tabung Haji* Malaysia in 1967. *Tabung Haji* in Malaysia has flourished as one of the oldest Islamic financial institutions in modern times.

Operational mechanisms for Islamic financial institutions were proposed and a number of books on Islamic banking based on profit and loss sharing, and leasing were published in order to support the development of those Islamic financial institutions. In the 1970s, the development of Islamic banks was emerged with the establishment of the Dubai Islamic Bank in 1975 and the Islamic Development Bank (IDB) also in the same year. Financial *Murabahah* was developed as the core mechanism for the placement of Islamic banks' funds. Academic activities were launched with the First International Conference on Islamic Economics, held in Mecca in 1976. First specialized research institution, namely, the Centre for Research in Islamic Economics was established at the King Abdul Aziz University, Jeddah in 1978. In 1975, the Fiqh Academy set out objectives to Islamic insurance (*Takaful*), laying the ground for an alternative financial structure.

For the first time, the governors of central banks and monetary authorities of OIC member countries in their Fourth Meeting held in Khartoum on 7-8 March 1981, jointly call for strengthening the regulation and supervision of Islamic financial institutions. Afterwards, a group of people came up with the Islamic banking concepts in Bangladesh. This group established first Islamic bank, namely, Islami Bank Bangladesh Ltd. in 13th March, 1983. At present, five full-fledged Islamic banks operating in banking sector have over 200 branches throughout Bangladesh.

The names of the five Islamic banks are Islami Bank Bangladesh Ltd. (IBBL), Al-Arafa Islamic Bank, Export Import Bank of Bangladesh Limited (EXIM), Social Investment Bank Limited, and the Shahjalal Islami Bank. Islami Bank Bangladesh Ltd is the largest Islamic bank in South Asia having its 169 branches in Bangladesh.

Literature Review of Operations Management (OM) Practices

The theoretical underpinnings of the OM field are somewhat different from other academic management subjects like strategy, marketing or finance. Whereas these fields of study are more-or-less directly connected to base theoretical disciplines such as economics, sociology, psychology and mathematics, OM's underpinnings are more fragmented. Indeed, it could be argued that the specific genealogy of "modern" OM is a curious amalgam of very different academic disciplinary inputs (for example, systems theory) and practical fields of application (for example, production engineering). Yet, despite the apparently overwhelming practical focus of academic OM, it also appears to have a history that demonstrates anxieties about how "helpful" are Operations Management practice it is really being (Slack *et al.*, 2004).

There have been surveys to gauge Operations Management (OM) practices in a number of countries. We provide a brief account of some of them here. The practice of OM in Spain does not differ from that found in other European countries (Ribera, 1998). Large companies have specialized OM or Production Management (PM) department in their organizational structure, while many small companies do not explicitly recognize it, even though the main OM functions are obviously covered. The state of Operations Management in Spain is notable, but there are rooms for future improvement, thus creating an important challenge for all the Operations Management performance, both in academia and practitioners.

In USA, applications of OM principles are widespread (Meredith and Roth, 1998). Two of the OM theories, namely supply-chain and quality control are particularly applied across industries in the country. In this era of globalization, the USA manufacturing as well as service organizations are more conscious about Operations Management applications.

In Italy, OM is not only a subject of study in all recognized academic institutions but it is also applied widely in the organizational level. The study of OM was started in 1953 by the Institute for the Study of Company Organization (IPSOA). Presently, the study of OM becomes more popular because most of the organizations' recruitment criterion is knowledge of OM. The practice of Operations Management in organizations increases the profitability of those organizations. The details of the survey are provided by Toni and Filippini (1998).

The opening up of the Indian economy has thrown many challenges to Indian industry. To take the challenges of liberalization and globalization, the thrust of the industry is moving towards improving quality, cost and response time. To attain all these, industry is concentrating on improving their manufacturing competence by better management of technology, supply chain and other resources. The academia and industry interaction in India is intended to synergize for mutual benefits of the both. Academia is helping industry by organizing class room training, short-term courses and by taking consultancy assignments. Industry linkages are being sought by academics, particularly for developing course curricula (Vrat, 1998).

Tan and Wisner (2003) describe an exploratory research effort to analyze and classify emerging Operations Management practices in US manufacturing sector. Using a survey of senior managers and Operations Management professionals in the United States, this study investigates the importance of establishing an appropriate infrastructure and organizational culture to support supplier assessment practices, new product design and development practices, JIT practices, and quality practices. This study also identifies practices that share common variance-covariance characteristics and to what extent the observed practices are linked to their underlying factors by means of exploratory factor analysis. Finally, correlation analysis is used to examine the relationships of the factors.

Operations Management's success or failure is frequently attributed to the management control system. Cigolini and Grillo (2003) are on the opinion that sound strategic planning is a part and parcel of effective Operations Management in any organization. Linkage between these two will expedite the realization of the organization's vision.

Foster and Ogden (2008) investigated whether increased emphasis on supply-chain management in the organizations had implications on how quality management is practiced. They found that supply-chain managers emphasized more on quality management compared to the operations managers.

Robinson (2009) edited a textbook on the applications of Operations Management principles in travel industry. The book comprises ten, each of which provides detailed. Further the book consolidates and summarizes the salient management concepts and frameworks related to the management of various kinds of functions in the travel industry. Another book edited by Karlsson (2009) provides insights of research in various areas of Operations Management. The book covers case studies, action research and quantitative modeling in Operations Management. Overall, the book does not only cover methods used in Operations Management but also those which are related to innovation, supply-chain management, and logistics.

In a relatively short period of time, the Japanese have been able to produce high quality products that are more reliable and cheaper compared to many competing products manufactured in the other parts of the world. Their ability to accomplish this task has been attributed to Operations Management activities, along with human resource development in their organizations (Pearson *et al.*, 1990).

The present work focuses on a survey of the practice of Operations Management (OM) principles in Islamic banks of Bangladesh. The branch managers of 39 branches of five Islamic banks operated in Bangladesh participated in this survey. This can be considered as pioneering efforts to survey OM practices in Islamic banking sector.

Research Instrument

A questionnaire was developed to conduct the survey. Since no ready-made questionnaire was found in the existing literature, due attention was paid so that the questionnaire comprises the essentials of OM. The questionnaire was pilot tested on three Islamic banks in Bangladesh. The medium of language of the questionnaire was English. But some respondent in this pilot study suggested to add Bengali version side by side. The revised questionnaire was distributed among 50 managers of five Islamic Banks of Bangladesh. However, 39 completed questionnaires were collected. Once we collected all the questionnaires, we found that two questionnaires could not be used. So in data analysis we used 37 questionnaires. **The Cronbach Alpha for measuring reliability is found to be 0.81.**

The questionnaire had four parts. In part A, the respondents were to furnish their branch details, e.g., bank's name, branch name, the employee size of the branch, respondents' position and gender, whereas the part B consists of some statements pertaining OM practices and the respondents were asked to state their agreement/disagreement on them. In part C, the respondent has been asked to put tick mark for some Yes/No type of questions. Finally in part D, the respondents were asked to rank seven competitive advantages and fourteen issues in Operations Management. Table 1 summarizes the number of branches of five banks, number of branches where we distributed questionnaire and the number of responses obtained.

Table 1: Islamic banks of Bangladesh for the survey

Name of the Bank	No. of Branches	Contacted	Responses Obtained
Islami Bank Bangladesh Ltd.	169	24	20
Al-Arafah Islami Bank Ltd.	41	10	7
EXIM Bank Ltd.	29	7	6
Social Investment Ltd.	15	4	4
Shahajalal Islami Bank Ltd	12	5	2
Total	266	50	39

All the respondents in the survey are male. Though there are few females working in the banking sector in Bangladesh, but most of them are not in the executive level. Actually this stems from an issue in Bangladesh that ladies prefer to do duties as a house wife rather than doing an outside job. However, the culture is changing rapidly. Table 2 presents employee size of the branches contacted.

Table 2: Employee size of the branches contacted

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 50	23	62.2	62.2	62.2
50-100	10	27.0	27.0	89.2
100-150	1	2.7	2.7	91.9
More than 150	3	8.1	8.1	100.0
Total	37	100.0	100.0	

As it is observed in Table 2 that most of the branches have less than fifty employees. However, some of the branches contacted have more than 150 employees.

Data Analysis

As mentioned in the previous section, the questionnaire has four parts. In part A, the respondents' personal information was asked. In part B, respondents were asked to state their level of agreement/disagreement on 17 statements pertaining to Operations Management (OM) practices in their banks. 1–5 points scale (1= strongly disagree; 2= disagree; 3= no comment; 4= agree; 5= strongly agree) was used for expressing their opinions. Frequency and percentage of respondents for all the statements are shown in Table 3. It was found that nobody strongly disagreed (SD) on any of the statements, hence the column on SD was omitted in Table 3.

About seventy percent of managers strongly agreed that their branches have clear vision and mission statements, whereas about thirty percent of managers agreed that their branches have clear vision and mission statements. That is, not a single manager disagreed on the item “The branch has clear vision and mission statements”. But some of them mentioned that the branches are not efficient to pursue their vision. They believe that the head office should increase its inspection in this regard.

Like the vision and mission statements of the branch, most of the managers strongly agreed that their branch has a well-defined operations strategy. In fact, more than eighty one percent strongly agreed that the branch has well defined operations strategy and only about nineteen percent agreed that the branch has well defined operations strategy.

Table 3: Summary responses of 17 statements on OM

Statement	SA		A		N		D		Total
	F	%	F	%	F	%	F	%	
The branch has clear vision and mission statements	26	70.3	11	29.7					37
The branch has well-defined operations strategy	30	81.1	7	18.9					37
A good operations strategy is vital for success of the bank	34	91.9	3	8.1					37
We set highest priority on customer satisfaction	32	86.5	5	13.5					37
We have a formal customer complaint/suggestion system	21	56.8	15	40.5	1	2.7			37
Customer complaint/suggestion system has been very effective for our branch	20	54.1	15	40.5	1	2.7	1	2.7	37
Customer suggestions are duly acknowledged and implemented as soon as possible	14	37.8	21	56.8	2	5.4			37
We have developed strong relationship with customers	30	81.1	7	18.9					37
We take all possible actions to improve quality in services	26	70.3	11	29.7					37
Employee performances are measured at the end of the year	30	81.1	7	18.9					37
Our branch is conveniently located	20	54.1	15	40.5	1	2.7	1	2.7	37
At the end of the year branch's productivity is measured	27	73.0	10	27.0					37
We take all possible actions to improve productivity	24	64.9	13	35.1					37
Our suppliers are very efficient	9	24.3	20	54.1	7	18.9	1	2.7	37
We have developed strong relationship with suppliers	9	24.3	23	62.24	10.8	1	2.7		37
I think that my bank should go for global market like Bank Islam in Malaysia	13	35.1	19	51.4	2	5.4	13	8.1	37
Good operations management is the key to attain service excellence in our company	21	56.8	15	40.5	1	2.7			37

A good operations strategy is vital for success in any organization. According to Garvin (1992), strategy is a set of plans and policies by which a company aims to gain advantages over its competitors. Generally a strategy includes overall plan for products and marketing of these products. Marketing plan usually includes specific approaches and steps to be followed in identifying potential customers, determining why, where, and when they buy, and learning how they can best be reached and convinced to purchase. For the statement “A good operations strategy is vital for success of the bank”, about ninety two percent strongly agreed, eight percent agreed and nobody disagreed.

Eighty six percent managers strongly agreed that they are committed to customer satisfaction and thirteen percent agreed on the issue. In personal conversations, some managers said that as far as the operations are concerned, their highest priority is *Shariah* Board. They gave an example, ‘we have lots of customers who want to get short term loan, e.g., for couple of hours.’ But *Shariah* Board does not allow that type of loan. Though bank has money, but bank is not able to satisfy this kind of customers, only because of *Shariah* regulations. So their priority is not always customer satisfaction, rather *Shariah* regulations.

After all, to ensure customer satisfaction, the branches need a suggestion/complaint system. At the time of data collection, one of the authors has seen the boxes for suggestion or complaints in most of the branches. But the condition of the boxes proves that the system has been neglected. As we observe from Table 3, about fifty seven percent managers strongly agreed that they have formal suggestion or complaint system and forty percent agreed that their branches have this system. Only three percent of managers had no comment on this statement. Furthermore, some of the managers verbally expressed that they encourage direct or verbal suggestions/complaints. It is not essential for the customers to drop suggestions in the suggestion box rather they can meet the branch manager directly and provide their suggestions.

Most of the managers said that when they obtain any rational suggestion or complaint they take immediate action. In addition, majority of them are on the opinion that it is easy to have strong relation with customers and accept their suggestions or complaints. However, it is not possible for any organization to implement all the suggestions, because of limited resources.

As pointed out above, customer suggestion/complaint system is an effective tool for improving quality of services provided by an organization. However, some of the banks not only have the suggestion system, but also take all the necessary steps to improve quality. In the survey, we found that more than seventy percent respondents strongly agreed that they take all the necessary actions to improve quality in their services and rest of them also agreed on this issue.

Employee’s performance measurement is widely practiced across organizations. To specifically know the extent of this practice in Islamic banks, we added one statement: “Employee performances are measured at the end of the year”. Eighty percent of the respondent managers strongly agreed that their branches have specific policy to measure performance of their employees.

For customer convenience, it is important to locate the branch at a convenient place. In the survey we have found that fifty four percent managers believed that their branches are located at a convenient place. We also observed that only one out of 37 respondents (managers) has disagreed that the branch is located at a convenient place, meanwhile, same number of respondent had no comment on the statement.

All the branches of the five Islamic banks are concerned on the improvement of productivity in their branches. Most of the banks have specific ways to measure productivity at the end of a year. Seventy three percent managers strongly agreed that their branches have specific policies to measure productivity. On the other hand, sixty five percent believe that they take all the necessary actions to improve productivity at the branch.

In order to improve the productivity of the branch, the managers believe that they need efficient suppliers. But when they are asked about their suppliers’ efficiency, only twenty four percent strongly agreed that their suppliers are very efficient, where as three percent disagreed that their suppliers are efficient. Again twenty four percent managers strongly agreed that they have developed strong relationship with their suppliers, and three percent disagreed that they have developed strong relationship with their suppliers.

In this era of globalization, most of the companies are trying to expand their businesses outside their home country. This trend is also observed in banking industry. We sought managers' opinion on the statement, "I think my bank should go for global market". Thirty five percent managers strongly agreed that their banks should go for global market; fifty one percent agreed that their branch should go for global market, whereas five percent has no comment and eight percent disagreed to go for global market.

Operations management is crucial to any type of organization because only through successful management of people, capital, information, materials, etc an organization can attain competitive advantage (Krajewski and Ritzman, 2010). So effective management of operations is the key to attain service excellence in any company. This has been proved in the present survey. About fifty seven and forty percent managers strongly agree and agree on this issue, respectively.

In the above we have analyzed data (for the 17 statements) considering all the five banks together. We have also investigated the similarity/dissimilarity of responses that came from individual banks. In the comparison, we have considered only three banks, namely Islami Bank Bangladesh Ltd, Al-Arafah Islami Bank and EXIM Bank. The remaining two were not considered in the comparison exercise as their sample size is rather small. One-way ANOVA test has been performed to compare the responses for the individual banks but no significant difference was found in the opinion of the managers of the three above mentioned banks.

In part C, respondents were asked to answer a number of Yes/No type of questions: one such a question is, "If your bank wants to enter into the global market, do you think that the bank still needs preparation for that?" Table 4 summarizes answers of all the questions.

Seventy three percent managers believe that their banks need extra preparation to enter into the global market, whereas twenty seven present believe that their banks do not need any such preparation. Those who believe that the banks need extra preparation before entering the global market, we asked them "what preparation do you require before entering into the global market?" The compiled list of items for extra preparation that are required is provided below:

- Increase financial strength
- Increase international relation
- Inter regional finance collaboration
- One stop service
- Online banking
- Enhance IT system
- Develop human resource
- Further planning
- Develop *Shariah* compliant rules & regulations

Before going into the global market, it is essential for the bank to evaluate its competitive position over other Islamic banks in the local market. In response to another question, eighty one percent managers believe that their banks have competitive advantage over other Islamic banks in the local market.

To ensure quality in the services provided by the branch, it is important for the manager to maintain quality circles at the branch. About ninety five percent managers (Table 4) are practicing this instrument to manage quality in the branches. In response to another question, all the 37 managers mentioned that they have job rotation system in their banks.

To maintain close customer ties, many companies create a customer care department. About seventy eight percent of the respondents said that they have customer care department which plays an important role to ensure customer satisfaction. However, there are customers, who do not like to give suggestions or complaints. For this reason, many managers of the branches conduct surveys to obtain feedback from

Table 4: Statistics of Operations Management practices in Islamic banks

Question on OM practices	Responses			
	Yes	Percentage	No	Percentage
If your bank wants to enter in to the global market, do you think that the bank still needs preparation for that?	27	73%	10	27%
Do you have a department of customer care?	29	78.4%	8	21.6%
Do you think that your bank has been enjoying competitive advantage over other Islamic banks?	30	81.1%	7	18.9%
Do you have any employee development program?	36	97.3%	1	2.7%
Do you have a formal employee reward and recognition system?	31	83.8%	6	16.2%
Do you have formal quality circle in your branch?	35	94.6%	2	5.4%
Do you provide training to your employees?	34	91.9%	3	8.1%
Does your branch conduct customer survey?	23	62.2%	14	37.8%
Do you practice job rotation for your employees?	37	100%	–	–

customers. Occasionally they also provide incentives to the customers who fill out survey questionnaires. In the survey, we found that sixty two percent managers conduct customer surveys to obtain customer feedback on their services.

To motivate employees for better performances, eighty three percent managers said that their branches have reward and recognition system. Further, managers of the branches conduct employee development programs and training for their employees on the basis of their needs. Ninety seven percent managers (Table 4) have mentioned that their branches have employee development program, whereas ninety one percent believe that they also have employee training program.

In order to attain competitive advantage, a good location for a new branch of the bank is an imperative. However, finding a good location is an uphill task; in this regard, managers assign priorities on some factors. According to seventy three percent managers, ‘Customer base’ is the most important factor to choose a place for the branch. Table 5 summarizes the factors and their relative priorities.

Table 5: Choice of location for a new branch

Factor	Frequency	Percent	Cumulative Percent
Customer base	27	73.0	73.0
Cost of Land	4	10.8	83.8
Convenient location	4	10.8	94.6
Proximity to suppliers	1	2.7	97.3
Location of competitors	1	2.7	100.0
Total	37	100.0	

Once the bank succeeds in securing a good location for its new branch, it is important for the manager to design an effective layout of the facility. About sixty five percent of managers believe that the layout should be on the basis of customer convenience. Table 6 provides the statistics on other relevant factors.

Table 6: Layout of office

Factor	Frequency	Percent	Cumulative Percent
On the basis of customer conveniences	24	64.9	64.9
Aesthetics	7	18.9	83.8
On the basis of official relation among employees	5	13.5	97.3
Others	1	2.7	100.0
Total	37	100.0	

To provide quality service to its customers, every company needs to choose good suppliers. In other words, supplier quality has significant effect on the company offerings. Table 7 provides the priority of the factors for supplier selection. Clearly, quality comes at the forefront while choosing a new supplier at the majority of the branches.

Table 7: Factors considered to choose suppliers

Factor	Frequency	Percent	Cumulative Percent
Quality	18	48.6	48.6
Track record	8	21.6	70.2
Cost	5	13.5	83.7
Financial Stability	4	10.8	94.5
Delivery time	2	5.5	99.9
Total	37	100.0	

The respondent managers were asked for their opinion on the extent of practices of Operations Management in their branch. Summary of the managers' opinion is provided in Table 8. The table shows that in more than 50% of the branches, substantial to maximum applications of OM practices are observed.

Table 8: Operations Management practices in Islamic banks in Bangladesh

	Frequency	Percent	Cumulative Percent
Minimum Applications	1	2.7	2.7
Moderate Applications	12	32.4	35.1
Average Applications	2	5.4	40.5
Substantial Applications	14	37.8	78.4
Maximum Applications	8	21.6	100.0
Total	37	100.0	

Operations management helps managers attaining competitive advantage in the market place. There are several factors under OM that need to be paid attention to obtain competitive advantage. The respondents were asked to provide their opinion on seven factors in terms of their importance in Operations Management. The most important factor is to be ranked 1 and the least important among the seven factors to be ranked rank 7. We observe that nearly half (48.6%) of the respondents articulated customer satisfaction as the most important factor to get the desired competitive advantage. The smallest and largest mean values of the factors are observed to be 2.11 and 6.14, so their respective ranks are 1 and 7. From Table 9, we can observe that the three most important factors that can entail competitive advantages are: (1) Full Commitment on Customer Satisfaction, (2) Viable Operations Strategy, and (3) Efficient Workforce Management.

Table 9: Factors that can entail competitive advantage

Factors to attain competitive advantage	Mean	Standard Deviation	Rank
Market know-how	3.91	1.805	4
Full Commitment on Customer Satisfaction	2.1143	1.47072	1
Good Location	4.1143	1.98185	5
Viable Operations Strategy	3.0286	1.36092	2
Efficient Supply Chain	6.1429	1.16677	7
Efficient Workforce Management	3.5429	1.59674	3
High Productivity	5.1429	1.66527	6

From Table 10, we observe that out of 37, 14 respondents indicated that 'Full Commitment on Customer Satisfaction' as number one important factor, whereas 5 respondents said it is the second most important factor. Other numerical values in the table can be interpreted in the same manner.

Table 10: Five most important factors and their level of importance

Factor \ Level of importance	1 st	2 nd	3 rd	4 th	5 th
Full Commitment on customer satisfaction	14	5	6	1	1
Viable operations strategy	3	8	7	4	3
Efficient workforce	2	5	6	7	3
Market know how	3	4	6	5	5
Good Location	6	2	1	10	2

A list of issues in Operations Management are compiled and the respondent managers were asked to rank them in terms of their perceived importance. Table 11 summarizes the detailed findings.

Table 11: Issues in Operations Management and their corresponding ranks

Issues in Operations Management	Mean	Standard Deviation	Rank
Location of the bank	4.1875	3.95489	3
Layout of the facility	7.1875	4.09908	6
Supply-Chain Mgt.	9.1875	3.37388	13
Workforce Management	3.5000	2.43628	1
Just in Time	4.0938	2.51908	2
Process Management	8.7500	3.45478	11
Quality Improvement	5.1875	2.60814	4
Productivity Improvement	8.5625	3.06844	10
Operations Strategy	6.8125	3.16674	5
Capacity Planning	8.4688	3.42650	9
Employee Schedule	8.0625	3.02610	8
Resource Planning	7.7500	3.66324	7
Technology Management	9.0938	3.47674	12
Inventory Management	13.0000	1.39122	14

With regards to Bangladesh Islamic banks, the most important issue of Operations Management is ‘Workforce Management’. The second most important issue has been “Just in Time’ operations in the bank. Table 12 provides level of importance of the five most important issues in Operations Management.

Table 12: Five most important issues in OM and their level of importance

Level of importance	1 st	2 nd	3 rd	4 th	5 th
Issues					
Workforce Management	11	5	6	1	3
JIT	6	5	3	4	2
Location of Bank	2	4	2	1	1
Quality Improvement	3	2	2	4	6
Operations Strategy	3	3	4	3	1

Our last question was on the future plan of action for their branches to have more efficient operations. The compiled list, albeit abridged, are shown in the following:

- Maximizing shareholders' values
- Effective Human Resource Management
- Superior customer service
- Enhancing inter personnel relations
- One stop banking
- Complete electronic business
- Ensuring regular marketing activities
- Developing relevant databases that can be used to run day-to-day operations
- Secured banking system
- Finding efficient investment portfolios
- Proper execution of head office plan
- Establishing more branches in strategic locations

Summary and Conclusions

Most of the managers in Islamic banks of Bangladesh are concerned on customers' full satisfaction. A vast majority of them contend that the banks should place the highest priority to customer satisfaction. Customer satisfaction is ensured by providing quality product or services at a reasonable cost. However, it may be difficult for managers to know whether or not most of the customers are satisfied. In this regard, managers have the suggestion and complaint system in their branches. Managers always try to acknowledge the suggestions and complaints that come from the customers. In this way, managers of the organizations establish a strong relationship with the customers. Furthermore, some branches have customer care department, which helps the bank enjoy the competitive advantage over other banks.

It is also found that most of the branches of the Islamic banks have been established at the convenient location. Managers choose a place for establishing a new branch on the basis of cost of the land, convenient location, customer base, quality of life, proximity to suppliers and location of competitors. But according to the survey, seventy three percent managers agree that a solid customer base is very important to establish a new branch. Furthermore, managers of the branches always try to improve the quality of the bank and they take all the necessary actions to improve it. At the end of the year, the productivity of the branch is measured by the bank. They also measure every employee's performance at the end of the year. Managers not only measure the performance of the employees, but also they have employee development program. Managers deem that the reward and recognition system assist them motivate their employees. To ensure proper practice of Operations Management, according to the managers the most important issue is workforce management. An excellent workforce is essential to ensure customer satisfaction. Employee training in Bangladesh Islamic banks is also widely practiced. Job rotation among employees and establishing quality circles are common in most of the branches surveyed.

Generalizability of the present study findings is limited due to small sample size. Future research should proceed surveying all the Islamic banks in Bangladesh with increased sample size. A similar research can also be carried out to compare OM practices in Islamic banks across various countries.

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